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UNCLAS SECTION 01 OF 02 ANKARA 007097

SIPDIS

DEPT PASS USTR FOR JCHOE-GROVES, LERRION DEPT PASS USPTO FOR JURBAN AND EWU USDOC FOR ITA/MAC/CRUSNAK TREASURY FOR CHRIS PLANTIER

SENSITIVE

E.O. 12958: N/A
TAGS: ETRD TBIO KIPR EFIN TU
SUBJECT: TURKEY'S MOH OPTIMISTIC ABOUT NEW

RESPONSIBILITIES

REF: A: ANKARA 6884 and previous

B: ANKARA 6818 and previous

C: ANKARA 6378

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11. (SBU) Summary: Turkish Health U/S Necdet Unuvar appeared optimistic about his ministry's new responsibilities after the MOH assumed many of the programs previously administered by Turkey 's Social Security Commission (SSK). The GOT views these reforms, and the costs involved with them, as necessary and manageable when weighed against the increased social benefits they bring. On the issue of pharmaceutical data exclusivity, Unuvar and his director generals maintained their view that Turkey has done more than required on their view that Turkey has done more than required on the control of this issue but pledged diligence when reviewing the final generic applications to ensure that Turkish law is followed to the letter. End summary.

NEW RESPONSIBILITIES

- 12. (SBU) According to Turkish Health U/S Necdet Unuvar, the GOT supports social security reform not because of IMF requirements but because Turkey needs it. The Ministry hopes that the legislation will enable it to establish an institutional identity and views its passage in the Parliament as a top priority for January after the budget is passed by December 31.
- 13. (SBU) Unuvar said that the draft legislation would give MOH most of the responsibilities for health issues formerly held by the Social Security Commission (SSK) and would establish a universal health insurance system. This would benefit poorer Turkish citizens by providing them more options for their healthcare in areas closer to their homes. Additionally, with this reform the Ministry hopes to invest in its physical infrastructure, personnel and equipment.
- (SBU) Contrary to media claims, Unuvar does not believe that the MOH's absorption of the SSK hospitals will create an undue and unmanageable burden on the Ministry's budget. He acknowledged that the new pharmaceutical program, in which patients have access to a wider array of medication, has raised the government's costs by USD 400 - 500 million. However, according to the GOT anticipated this increase and can absorb it within the present budget. (Note: Our understanding from other sources is that these were serious overruns, that had to be compensated from other, non-Health components of the budget or from the revenue side. End Note.) He argued that the cost of pharmaceutical spending is not high in comparison to the social benefit it He noted that finding ways to reduce provides. pharmaceutical spending is not the MOH's responsibility, he added, but falls on the reimbursement agencies. agencies are striving to find the highest quality pharmaceuticals for the most reasonable price, he said.
- $\underline{\textbf{1}}$ 5. (SBU) On the long-mooted creation of Turkish agencies analogous to the Food and Drug Administration (FDA) and the Centers for Disease Control (CDC), Unuvar said that an agency similar to the CDC had been created by decree at approximately the same time as the CDC (1928), but that its responsibilities need to be strengthened. regards to the FDA, the GOT wants to create an agency that functions similarly to the FDA but is closer to European model and excludes food oversight. He confirmed that there were plans to move in this direction, but did not provide a clear timeline.

16. (SBU) The U/S emphasized the GOT's commitment to international assistance and cooperation. The Ministry particularly values its participation in the World Health Organization. The MOH worked quickly to contain the recent outbreak of bird flu in its southwestern region (ref A) and would be prepared to work with other countries closely in the event of a global bird flu outbreak. He noted that along with the United States Turkey was the first to respond and has contributed a large amount of monetary assistance and personnel and supplies to the relief effort in Pakistan (ref B), particularly for health care. Finally, Turkey values its role in the Middle East Cancer Consortium.

DATA EXCLUSIVITY

- 17. (SBU) Econ/C raised Turkey's TRIPS obligations to provide data exclusivity for pharmaceutical products, saying that while we recognized progress we were particularly concerned about recent applications by generic producers to market patented drugs in Turkey (ref C). Unuvar, allowing Deputy Under Secretary Orhan Gumrukcuoglu to speak, argued that Turkey has made great strides in the area of data exclusivity that should be recognized. He added that according to Turkey's view of TRIPS article 39/3, developing countries (among which he apparently includes Turkey) were not given a deadline for this implementation. He said that Turkey's current data exclusivity regulations resulted not from their obligations under TRIPS but from their commitments under the European Customs Union.
- 18. (SBU) Speaking about the new pharmaceutical molecules for which generic applications were filed prior to January 1, 2005, Gumrukcuoglu stated that the MOH cannot ignore these generic applications. Gumrukcuoglu confirmed there were currently 23 applications for molecules on which foreign countries held patents in European Union countries. However, the fact that applications have been filed does not mean that they will automatically receive approval. Gumrukcuoglu added that with regards to EU accession, Turkey finds itself in a more difficult situation than new EU members such as Poland, Greece and the Czech Republic. These countries, because they had no customs union with the EU, also had no previous obligations for data exclusivity for which the could be "punished." Econ Counselor encouraged them to follow the letter of the Turkish law (which prevents generic companies from relying on the files of products that have not yet been licensed on the Turkish market). Unuvar reiterated the MOH's desire to uphold Turkish law and pledged their diligence in reviewing the generic applications.

SAME STORY BUT STILL OPTIMISM

19. (SBU) Comment: Especially on the issue of data exclusivity, the MOH representatives repeated their normal adage of being under-appreciated for what they have done while receiving international pressure to do more than was expected from similar countries at the same time in their EU accessions. U/S Unuvar's demeanor, though, provides some reason for optimism as he tried to assure us that, although the GOT must review these applications under Turkish law, the GOT would ensure that only those who met the Turkish standards -- if any --would be approved. While the review process will most likely take much longer (it has already taken eleven months), we hope that by registering our concern, in addition to the objections raised by the EU and by the research-based companies, the MOH will understand the broader implications of these last few applications. End comment.

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